

MINUTES OF MEETING

December 16, 2008



The Finance Committee met on December 16, 2008, in the Robert F. Carlson Auditorium, Lincoln Plaza Building, 400 Q Street, Sacramento, California.

The meeting was called to order at 5:10 p.m. and the following members were present:

Tony Oliveira, Chair Terry McGuire for John Chiang, Vice Chair Henry Jones Grant Boyken for Bill Lockyer Louis F. Moret Kurato Shimada

Excused Member(s):

Charles Valdes

Other Board Member(s):

None

AGENDA ITEM 2 – APPROVAL OF NOVEMBER 17 & 19, 2008, MEETING MINUTES

A correction was proposed to the November minutes and approval was deferred to the February 2009 Finance Committee meeting.

AGENDA ITEM 3 – CHIEF AUDITOR'S REPORT

A matrix was presented reflecting the status of various activities occurring within the Office of Audit Services to the Committee as an information item.

AGENDA ITEM 4 – FINANCIAL REPORTING – MANAGEMENT'S DISCUSSION AND ANALYSIS

Mr. Jensen presented the revised draft Management's Discussion and Analysis to the Committee as an action item. Presenters also included Russ Fong, Chief, Fiscal Services Division; Alan Lum, Assistant Division Chief, Fiscal Services Division; and Debbie Chan, Macias, Gini, and O'Connell.

On **MOTION** by Kurato Shimada, **SECONDED** and **CARRIED**, the Committee recommended the Board accept the draft revised Management's Discussion and Analysis for the year ended June 30, 2008.

AGENDA ITEM 5 – OFFICE OF AUDIT SERVICES – QUARTERLY STATUS REPORT

Margaret Junker, Assistant Division Chief, Office of Audit Services, presented the quarterly report to the Committee as an information item.

AGENDA ITEM 6 - COMPLIANCE OFFICE REPORT

Sherry Johnstone, Chief Compliance Officer, presented a matrix reflecting the status of various activities occurring within the Office of Enterprise Compliance to the Committee as an information item.

AGENDA ITEM 7 - ASSISTANT EXECUTIVE OFFICER'S REPORT

Teri Bennett, Assistant Executive Officer, presented a matrix reflecting the status of various activities occurring within the Information Technology Services Branch to the Committee as an information item.

AGENDA ITEM 8 – FISCAL YEAR 2008-09 MID-YEAR BUDGET REVISIONS (SECOND READING)

Russell Fong, Chief, Fiscal Services Division, presented the second reading of the mid-year budget revisions to the Committee as an action item.

On **MOTION** by Terry McGuire, **SECONDED** and **CARRIED** the Committee recommended the Board approve the following:

 Acceptance of the proposed CalPERS Fiscal Year (FY) 2008-09 cost allocation adjustments to the Public Employees' Retirement Fund (PERF) and other funds, and recommend the Board approve the cost allocation as a second reading.

- 2. Acceptance of the proposed CalPERS FY 2008-09 mid-year increase of \$2,292,000 included in the first reading and an additional \$6,290,000 as part of the second reading for a total of \$8,582,000 to the Enterprise Projects Budget for a total budget of \$151,835,000 and recommend the Board approve the Budget as a second reading.
- 3. Acceptance of the proposed FY 2008-09 mid-year increase of \$700,000 to the CalPERS Headquarters Building Account Budget (CHBA) for a total budget of \$36,881,000 and recommend the Board approve the Budget as a second reading.
- 4. The transmittal of this agenda item to the Joint Legislative Budget Committee and the Fiscal Committees of the Legislature, the State Controller, and the Department of Finance, in accordance with the FY 2008-09 Budget Act, and to the Legislative Analyst's Office and the State and Consumer Services Agency.

AGENDA ITEM 9 – BUDGET AND EXPENDITURE REPORT FOR THE FIRST QUARTER OF FISCAL YEAR 2008-09

Steve Pietrowski, Assistant Division Chief, Fiscal Services Division, presented the report to the Committee as an action item.

On **MOTION** by Henry Jones, **SECONDED** and **CARRIED** the Committee recommended the Board approve the transmittal letter and submission of the Budget and Expenditure Report through the first quarter of FY 2008-09 to the Joint Legislative Budget Committee, fiscal committees of the Legislature, State Controller, and Department of Finance, in accordance with the Budget Act of 2008, and to the Legislative Analyst's Office, State and Consumer Services Agency and the Office of the Legislative Counsel.

AGENDA ITEM 10 - CURRENT BUDGET ISSUES

There were no items to present.

AGENDA ITEM 11 – ASSISTANT EXECUTIVE OFFICER REPORT

John Hiber, Assistant Executive Officer, presented the annual calendar review and a matrix that reflected the status of various activities to the Committee as an information item.

AGENDA ITEM 12 - PROPOSED FEBRUARY 2009 AGENDA

The proposed agenda for February 2009 was approved with the addition of the following:

• Approval of the November 17 & 19, 2008, Meeting Minutes

AGENDA ITEM 13 – PUBLIC COMMENT

There was no public comment.

The next Finance Committee meeting is scheduled for February 18, 2009, in Sacramento, California.

Date:	
	ANNE STAUSBOLL
	Chief Executive Officer